

Illinois Municipal Retirement Fund

Meeting No: 11-05-A

Audit Committee

The Audit Committee met at the IMRF office in Oak Brook, Illinois on Friday, May 20, 2011, at 7:30 AM. Committee members Henry, Rademacher and Stafford (via phone) were present. Also present were internal auditors Samz, and Gonzales, external auditors Gabouer, Barrientos and Allen, and staff members DeCleene, Duquette, Kosiba and O'Brien.

Ms. Henry served as chairperson and called the meeting to order.

(11-05-01) (Approval of Minutes)

Minutes of the March 3, 2011, meeting were approved on a motion by Rademacher, seconded by Stafford.

(11-05-02) (Review of Draft of the 2010 Comprehensive Annual Financial Report)

Mr. DeCleene reviewed the draft of the Comprehensive Annual Financial Report highlighting several items in the report.

(11-05-03) (Presentation of Results of 2010 Financial Statement Audit)

Mr. Gabouer of KPMG, presented information in connection with their work on the 2010 financial statements. KPMG issued an unqualified opinion on our 2010 financials. Mr. Gabouer presented a document that outlined KPMG's responsibilities under generally accepted auditing standards. There were no major matters that were brought to the Committee's attention. There were no proposed audit adjustments or internal control findings. KPMG also provided IMRF a "no material weakness" letter.

(11-05-04) (Report on the Completion of the 2010 Internal Audit Plan)

Mr. Samz reported on the completion of work on the 2010 internal audit plan as well as a number of special projects done related to the internal control environment. Mr. Samz concluded that, based upon the internal audit work done, IMRF's internal controls were working effectively.

(11-05-05) (Status of Risk Based Audit Plan to Provide Adequate Coverage of IMRF's Employer Base)

Mr. Samz presented a plan which would result in IMRF covering approximately 20% of its active members on an annual basis. The Committee was supportive of the plan as outlined but did ask Mr. Samz to provide data covering the employer audits for 2008 through 2010 broken down by size of employers as measured by number of active members.

(11-05-06) (Private Sessions with External and Internal Auditors)

The Committee met separately with the external and internal auditors having excused management representatives.

(11-05-07) (Adjournment)

The meeting was adjourned at 8:35 AM.

Chairperson

Date

Clerk

Date